

## Message Text

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70

ACTION EUR-12

INFO OCT-01 EA-09 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04 SIL-01

H-02 L-03 PA-02 PRS-01 AGR-10 FEA-01 SAM-01 /122 W

----- 080539

R 131831Z FEB 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9014

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 02379

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: L/A

TAGS: EFIN, UK

SUBJECT: UK TRADE AND CURRENT ACCOUNT IN JANUARY CONTINUED TO SHOW IMPROVEMENT.

SUMMARY: IN JANUARY, THE UK CURRENT ACCOUNT IS ESTIMATED TO HAVE BEEN IN DEFICIT BY 59 MILLION POUNDS (S.A.). AN IMPROVEMENT OF 30 MILLION POUNDS OVER THE DECEMBER DEFICIT OF 89 MILLION POUNDS (REVISED). THE VISIBLE TRADE DEFICIT OF 179 MILLION POUNDS (S.A.) WAS COMPOSED OF A 350 MILLION POUND DEFICIT IN PETROLEUM AND RELATED PRODUCTS AND A 171 MILLION POUND SURPLUS IN NON-OIL RELATED GOODS. PROVISIONAL ESTIMATES SHOW EXPORTS OF 1,785 MILLION POUNDS (S.A., F.O.B.), AND IMPORTS OF 1,964 MILLION POUNDS (S.A., F.O.B.) THE INVISIBLES ACCOUNT SHOWED AN UNCLASSIFIED

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ESTIMATED SURPLUS OF 120 MILLION POUNDS. END SUMMARY.

1. VISIBLE TRADE. THE BALANCE ON VISIBLE TRADE SHOWED AN IMPROVEMENT OF 30 MILLION POUNDS (S.A.) IN THE OVERALL BALANCE BETWEEN DECEMBER AND JANUARY. A CONTINUED IMPROVEMENT IN THE NON-OIL RELATED TRADE SURPLUS WHICH AMOUNTED TO 151 MILLION POUNDS IN JANUARY. COMPARED TO 106 MILLION POUNDS IN DECEMBER, WAS PARTIALLY OFFSET BY A 35 MILLION POUND INCREASE IN THE NET TRADE DEFICIT IN PETROLEUM AND PETROLEUM-RELATED PRODUCTS. IN VOLUME TERMS, EXPORTS INCREASED BY ABOUT 1 PERCENT FOLLOWING AN EXCEPTIONALLY LARGE INCREASE IN DECEMBER WHILE IMPORTS WERE DOWN BY 1.3 PERCENT. THE TERMS OF TRADE INDEX ROSE BY 0.5 PERCENT AS THE IMPORT UNIT VALUE INDEX INCREASED BY 0.8 PERCENT WHILE THE EXPORT VALUE INDEX ROSE BY 1.3 PERCENT.

## 2. TRADE VOLUME AND TERMS OF TRADE (MONTHLY AVERAGE)

### A. UNIT VALUES

(B/P BASIS; 1970 EQUALS 100; N.S.S.)

	EXPORTS	IMPORTS	TERMS OF TRADE
1974	162.7	217.3	74.9
1975	197.7	246.5	80.2
1975 1ST QU.	184.9	239.7	77.1
2ND QU.	193.4	240.6	80.4
3RD QU.	202.4	246.7	82.0
4TH QU.	210.1	259.2	81.1
AUGUST	202.5	247.2	81.9
SEPT.	204.9	249.1	82.3
OCT.	207.2	254.4	81.5
NOV.	210.5	259.3	81.2
DEC.	212.6	263.9	80.6
JAN.	215.4	266.1	81.0

PERCENTAGE CHANGE .LATEST 3 MONTH AVERAGE OVER PREVIOUS 3-MONTH AVERAGE

PLUS 4 PLUS 5 MINUS 1

### B. VOLUME (MONTHLY AVERAGE)

(/P BASIS; 1970 EQUALS 100, S.A.)

	EXPORTS	IMPORTS
1974	130.1	135.4
1975	124.9	126.0

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1975 FIRST QUARTER	128.8	125.6
SECOND QUARTER	122.5	122.4
THIRD QUARTER	120.1	127.8
FOURTH QUARTER	128.3	128.1
AUGUST	115.2	125.2
SEPTEMBER	121.9	123.6
OCTOBER	130.5	129.7
NOVEMBER	123.6	128.5

DECEMBER 130.8 126.1  
1976  
JANUARY 132.1 124.5  
PERCENTAGE CHANGE LATEST 3-MONTH AVERAGE OVER PRE-  
VIOUS 3-MONTH AVERAGE:  
PLUS 5 PLUS 0.2

3. IMPORTS AND EXPORTS  
VISIBLE TRADE

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70  
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INFO OCT-01 EA-09 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04 SIL-01

H-02 L-03 PA-02 PRS-01 AGR-10 FEA-01 SAM-01 /122 W  
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R 131831Z FEB 76  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 9015  
INFO AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USDOC WASHDC

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(B/P BASIS; IN MILLIONS OF POUNDS, S.A.)  
EXPORTS (FOB) IMPORTS (FOB) VISIBLE BAL.  
1974 15,888 21,120 MINUS 5,232  
1975 18,775 22,007 MINUS 3,232

1975 1ST QU.	4,527	5,375	MINUS	848
2ND QU.	4,475	5 156	MINUS	681
3RD QU.	4,645	5.631	MINUS	986
4TH QU.	5,128	5,845	MINUS	717
AUGUST	1,489	1,890	MINUS	401
SEPT.	1,582	1,791	MINUS	209
OCT.	1,732	1,955	MINUS	223
NOV.	1,641	1.26	MINUS	285
DEC.	1,755	1.964	MINUS	209

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JAN.	1,785	1,964	MINUS	179
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PERCENTAGE CHANGE - LATEST 3-MONTH AVERAGE OVER PRE-  
VIOUS 3-MOLTH AVERAGE:

PLUS	8	PLUS	4
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4. THE INVISIBLE TRADE AND CURRENT ACCOUNT. THE BALANCE ON SERVICES AND OTHER TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 120 MILLION POUNDS IN JANUARY. THUS THE VISIBLE TPADE DEFICIT OF 179 MILLION POUNDS COMBINED WITH THE ESTIMATED INVISIBLES SURPLUS YIELDED A DEFICIT IN CURRENT ACCOUNT OF 59 MILLION POUNDS. NOTE THAT THERE HAVE BEEN EXTENSIVE REVISIONS IN MONTHLY AND QUARTERLY ESTIMATES OF UK CURRENT ACCOUNT DATA BOTH IN VISIBLE AND INVISIBLE TRADE.

CURRENT ACCOUNT  
(MILLIONS OF POUNDS, S A.)

1974		MINUS	3,668
1975		MINUS	1,708
1975	FIRST QUARTER	MINUS	413
	SECOND QUARTER	MINUS	340
	THIRD QUARTER	MINUS	598
	FOURTH QUARTER	MINUS	357
	AUGUST	MINUS	271
	SEPTEMBER	MINUS	80
	OCTOBER	MINUS	103
	NOVEMBER	MINUS	165
	DECEMBER	MINUS	89
1976	JANUARY	MINUS	59 MILLER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE BALANCE, BALANCE OF PAYMENTS, QUARTERLY REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Executive Order:** N/A  
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**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** housmasa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 JUL 2004 by oatisao>; APPROVED <06 OCT 2004 by housmasa>  
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**Review Transfer Date:**  
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**Secure:** OPEN  
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**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006